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FILE
August 31, 2011

Chairman Todd A. Snitchler
Public Utilities Commission of Ohio
Ohio Power Siting Board
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RE:

In the Matter of the Commission Review)
of the Capacity Charges of) Case No. 10-2929-EL-UNC
Columbus Southern Power Company)
and Ohio Power Company)

Dear Chairman Snitchler:

Attached please find the testimony of Columbus Southern Power Company and Ohio Power Company (AEP Ohio) witnesses in the above listed docket required to be filed today in the procedural schedule issued in the August 11, 2011 Entry. Those witnesses providing pre-filed direct testimony are:

✓ Richard E. Munczinski
William A. Klun
Frank C. Graves
Dana E. Horton
Kelly D. Pearce

Please contact me if there are any questions.

Cordially,

Matthew J. Satterwhite
Senior Counsel

Testimony attached

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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CERTIFICATE OF SERVICE

I hereby certify that this letter and the testimony accompanying it was served by electronically pursuant to the August 11, 2011 Entry in this case, upon counsel for the entities below on this August 31, 2011.


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EXHIBIT NO. _____

PUCO

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission Review)
of the Capacity Charges of) Case No. 10-2929-EL-UNC
Columbus Southern Power Company)
and Ohio Power Company)

DIRECT TESTIMONY OF
RICHARD E. MUNCZINSKI
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

Filed: August 31, 2011

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RICHARD E. MUNCZINSKI

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
RICHARD E. MUNCZINSKI
ON BEHALF OF
COLUMBUS SOUTHERN POWER
AND
OHIO POWER COMPANY

1 **PERSONAL DATA**

2 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

3 A. My name is Richard E. Munczinski and my business address is One Riverside Plaza,
4 Columbus, Ohio 43215.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the American Electric Power Service Corporation (AEPSC), a unit of
7 American Electric Power (AEP). My title is Senior Vice President – Regulatory
8 Services, over regulatory activities across AEP's operating companies, including
9 Columbus Southern Power Company (CSP) and Ohio Power Company (OPCo), hereby
10 collectively referred to as AEP Ohio or the Companies.

11 **Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR VICE PRESIDENT –**
12 **REGULATORY SERVICES?**

13 A. I am directly responsible for overseeing AEP's regulatory activities before eleven state
14 regulatory commissions and the Federal Energy Regulatory Commission (FERC).
15 Additionally, I am AEP's Chief Reliability Compliance Officer. In this role, I oversee
16 the development and implementation of strategic policy within AEP to ensure
17 compliance with North American Reliability Corporation (NERC) reliability standards

1 for the AEP system, as well as AEP's participation in regional transmission organization
2 (RTOs).

3 **Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

4 A. I earned a bachelor of engineering degree in electrical engineering and a master's degree
5 in management science from Stevens Institute of Technology in Hoboken, New Jersey. I
6 am a member of the Institute of Electrical and Electronics Engineers.

7 Prior to joining AEP, I was an electrical engineer for Ebasco Services Inc., New
8 York. I joined AEP in 1978 in the Project Engineering department and transferred to
9 Corporate Planning and Budgeting in 1982. I became Director of Rate Case Management
10 in 1992 and Vice President of Regulatory Services in 1996 leading the regulatory
11 approval process for the merger with Central and South West Corporation (CSW). I was
12 named Senior Vice President - Corporate Planning and Budgeting in 1998 and Senior
13 Vice President - Shared Services in 2008. I have served in my current role as Senior Vice
14 President-Regulatory Services of AEP since January 2010.

15 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE A**
16 **REGULATORY AGENCY?**

17 A. I have testified or submitted testimony before the regulatory commissions in the states of
18 Ohio, Virginia, West Virginia, Michigan, Arkansas, Indiana, Kentucky, Louisiana,
19 Oklahoma, Texas and before the Federal Energy Regulatory Commission (FERC).

20

21 **PURPOSE OF TESTIMONY**

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. I am AEP Ohio's overall policy witness supporting AEP Ohio's position that CSP and
2 OPCo should be allowed to collect their capacity costs from Competitive Retail Electric
3 Service (CRES) providers. AEP Ohio maintains that its position is consistent with the
4 terms and conditions in the existing PJM Interconnection, LLC (PJM) Reliability
5 Assurance Agreement (RAA), as further discussed by Company witness Horton. I have
6 also been advised by counsel that, under the terms of the RAA, the wholesale capacity
7 rate to be charged by CSP and OPCo to CRES providers should be decided not by the
8 Commission, but rather in a case that is currently pending rehearing at FERC.
9 Nonetheless, as directed by the Public Utilities Commission of Ohio's (Commission)
10 August 11, 2011 Entry, the Companies' testimony and exhibits will provide the
11 Commission with the necessary evidence regarding the appropriate capacity cost and a
12 fair compensation mechanism pertaining to capacity charges to be paid by CRES
13 providers for use of AEP Ohio's capacity. Additionally, I will explain why it is
14 important that neither shareholders nor non-shopping customers should subsidize CRES
15 providers in their use of AEP Ohio capacity. My testimony is supported by other
16 witnesses testifying on behalf of AEP Ohio in these proceedings and takes into account
17 AEP Ohio's comments and reply comments previously filed in this proceeding, Case No.
18 10-2929-EL-UNC (Capacity Charges) case.

19

20 **WITNESSES AND SPONSORED TESTIMONY**

21 **Q. HOW IS THE COMPANIES' CAPACITY CHARGES CASE FILING**
22 **ORGANIZED?**

1 A. AEP Ohio has five witnesses supporting various key issues for the Capacity Charges
2 case. The following table summarizes and serves to introduce the witnesses, the general
3 subject area each is sponsoring, and a brief description of the respective testimony.

4 **Table 1: Witnesses in the Capacity Charges Case**

Witness	Subject Area	General Description of Testimony
Richard E. Munczinski (AEP)	Policy Witness	<ul style="list-style-type: none">• Background of Case• AEP Ohio's position
William A. Klun (MJ Beck Consulting)	Independent Generation Finance Witness	<ul style="list-style-type: none">• Shortfalls of RPM relative to financing generation
Frank C. Graves (The Brattle Group)	Independent RPM Capacity Market Witness	<ul style="list-style-type: none">• Cost difference between PJM RPM price and AEP's embedded costs• Economic issues in CRES capacity pricing
Dana E. Horton (AEP)	PJM Capacity Market Witness	<ul style="list-style-type: none">• PJM's FRR and RPM capacity options• FRR rules and procedures• RPM auction process
Kelly D. Pearce (AEP)	Cost of Capacity Witness	<ul style="list-style-type: none">• AEP Ohio's cost of capacity• Formula rate description• Energy credit• CRES self-supply option

5

6

7 **BACKGROUND OF THE CASE**

8 **Q. PLEASE DESCRIBE THE HISTORY OF THE CAPACITY CHARGES CASE**
9 **WITH RESPECT TO AEP OHIO.**

10 A. On November 1, 2010, AEP Ohio filed an application with the Federal Energy
11 Regulatory Commission (FERC) in FERC Docket No. ER11-1995-000. On November
12 24, 2010, at the direction of FERC, AEP Ohio refiled its application in FERC Docket No.
13 ER11-2183-000. As a Fixed Resource Requirement (FRR) entity, AEP Ohio's
14 application proposed to implement an existing clause within the PJM RAA to change the
15 basis of compensation for use of its capacity by CRES providers to an AEP Ohio cost-
16 based method.

1 Prior to 2007, and during the PJM Reliability Pricing Model (RPM) auction
2 development phase, AEP, as well as other parties, expressed concern over the long-term
3 negative impacts of the RPM capacity market on vertically integrated utilities and their
4 customers. Thus, as discussed in the testimony of Company witness Horton, Section D.8
5 of Schedule 8.1 (Schedule D) of the PJM RAA, or the FRR provision, was drafted to
6 ensure that FRR entities could request a cost-based method of recovering their capacity
7 costs. Under FRR, there are essentially three alternatives for pricing capacity provided to
8 CRES providers: 1) a properly designed retail state compensation mechanism and in the
9 absence of such a mechanism, 2) rates based on the PJM RPM capacity auction price, and
10 3) a method based on the FRR entity's costs (a formula cost-based method) or such other
11 cost basis shown to be just and reasonable.

12 AEP Ohio has self-supplied its capacity as a FRR entity since the RPM inception
13 in June 2007, thus opting out of the PJM RPM auction market for purposes of meeting its
14 load obligations each year through planning year 2014/2015. Since the RPM auction
15 inception, AEP Ohio has been compensated at the adjusted PJM RPM auction price for
16 supplying capacity associated with load lost to CRES providers who choose not to self-
17 supply their own capacity. The CRES providers who choose not to self-supply merely
18 act as a middle-man on capacity flowing from AEP Ohio. While the RPM auction prices
19 have fluctuated significantly, the auction price for the next several years have dropped to
20 levels that would prevent AEP Ohio from receiving anything remotely approaching full
21 compensation from CRES providers for AEP Ohio capacity costs.

22 In its November 2010 FERC application, AEP Ohio proposed cost-based formula
23 tariffs that were based on the Companies' 2009 FERC Form 1 filings. AEP Ohio made

1 this application to remedy the situation where CRES providers were receiving a subsidy
2 for their use of the Companies' capacity due to the use of RPM auction prices.
3 Additionally, AEP Ohio filed this 2009 information in Ohio in this Capacity Charges
4 case. Company witness Pearce provides an update to these rates based on 2010
5 information and provides the evidence of the proper level of compensation to be
6 recovered from CRES providers who utilize AEP Ohio's capacity.

7 In response to AEP Ohio's November 2010 application to the FERC, the
8 Commission represented to FERC that as of December 8, 2010 it was "adopt[ing] as the
9 state compensation mechanism for the Companies the current capacity charges
10 established by the three-year capacity auction conducted by PJM," which is the PJM
11 RPM auction price.

12 On January 20, 2011, FERC issued an Order rejecting the AEP Ohio rate
13 proposal, not on the merits, but due to the Commission's December 8, 2010 order stating
14 that it was adopting an interim state compensation mechanism. AEP Ohio's application
15 for rehearing of FERC's January 20, 2011 Order remains pending before FERC. AEP
16 Ohio also filed a complaint case, FERC Docket No. EL11-32-000, to seek modifications
17 to Schedule D of the RAA designed to clarify the original intent as understood by AEP
18 Ohio. The purpose of that filing was to confirm that any state compensation mechanism
19 must compensate FRR entities for capacity costs through charges included in retail rates
20 and to preserve the FRR entities' right to submit filings under Section 205 of the Federal
21 Power Act to establish just and reasonable FRR charges. Otherwise, utilities may be
22 forced to accept rates at below cost levels.

1 **AEP OHIO'S POSITION**

2 **Q. PLEASE BRIEFLY SUMMARIZE AEP OHIO'S POSITION IN THIS CAPACITY**
3 **CHARGES CASE.**

4 A. AEP Ohio's position in the pending FERC proceeding and in this Ohio Capacity Charges
5 proceeding, which is set forth in detail in the Companies' January 7, 2011 Application for
6 Rehearing in this docket, is that the current capacity pricing mechanism
7 undercompensates AEP Ohio for the capacity it provides to CRES providers. The impact
8 on AEP Ohio's ability to be compensated for its costs has become significant due to the
9 trend in RPM auction prices, as well the growth in shopping by AEP Ohio customers
10 whose CRES providers take advantage of the capacity supplied by AEP Ohio as opposed
11 to supplying their own capacity. These concerns prompted the November 2010 FERC
12 filing. On advice of counsel, it is my understanding that CSP and OPCo have the right
13 under the RAA to request that FERC establish the wholesale rate that the companies may
14 charge for capacity to CRES providers, which right they exercised in the November 2010
15 FERC filing, as amplified by the FERC complaint. However, given the FERC's order on
16 the Companies November 2010 filing and the Commission's entry in this case, AEP Ohio
17 will present evidence as to the proper level of compensation to be recovered from CRES
18 providers who utilize AEP Ohio's capacity.

19 **Q. WHAT ARE THE CONSEQUENCES OF ALIGNING A STATE**
20 **COMPENSATION MECHANISM WITH THE PJM RPM PRICE?**

21 A. Aligning the state compensation mechanism to the PJM RPM wholesale price means that
22 Ohio capacity is solely influenced by the administrative PJM and RPM's auction process
23 and its participants who may not have Ohio's best interests in mind. To the extent that

1 the Commission's December 8, 2010 Entry eliminated other options for capacity
2 compensation, it would, in my view, undermine the ability to provide just and reasonable
3 compensation to AEP Ohio and the ability to provide customers with reliable and
4 adequate service. During the development phase of the RPM, the FERC addressed these
5 concerns by establishing alternative, non-RPM auction based methods for establishing
6 capacity prices for FRR entities.

7 Additionally, the RPM clearing price is a one-year price projected three years in
8 advance. As shown in the historical auction clearing prices presented in Exhibit KDP-7
9 in the testimony of Company witness Pearce, these prices can fluctuate dramatically from
10 year to year. This provides little or no incentive to invest in Ohio asset generation.

11 **Q. WHY IS IT APPROPRIATE TO TIE CAPACITY PRICES CHARGED TO CRES**
12 **PROVIDERS TO AEP OHIO'S COST OF CAPACITY?**

13 A. There are several reasons why CRES providers that are passing through AEP Ohio's
14 capacity should pay for use of that capacity based on AEP Ohio's costs. First, it is
15 important that neither shareholders nor non-shopping customers subsidize CRES
16 providers for use of AEP Ohio's capacity. Reliance on AEP Ohio to supply capacity to
17 CRES providers while not requiring those providers to pay the cost of that capacity is
18 inequitable. Second, cost-based compensation represents a long-term view of affordable
19 and reliable capacity for Ohio customers in contrast to the short-term RPM-based pricing.
20 Finally, because AEP Ohio is an FRR entity, its capacity is dedicated to its Ohio
21 customers. This includes those customers who choose to shop and are served by CRES
22 providers who opt to utilize AEP Ohio's capacity. Accordingly, such capacity dedication

1 comes hand in hand with rates that are based on AEP Ohio's costs and not on the RPM
2 market.

3 **Q. HOW DOES AEP OHIO RECOVER ITS CAPACITY COSTS FROM RETAIL**
4 **CUSTOMERS THAT TAKE GENERATION SERVICE FROM AEP OHIO?**

5 A. As described and submitted in AEP Ohio's Initial Comments filed in this proceeding,
6 AEP Ohio, as a Load Serving Entity (LSE) in PJM, does not participate in the PJM RPM
7 auction market for the purposes of meeting AEP Ohio's load obligation. The cost of AEP
8 Ohio's capacity resources that are used by the CRES providers who fail to secure their
9 own resources are recovered from non-shopping retail customers through state
10 jurisdiction, Commission-approved generation rates. Such rates for January 2012
11 through May 2014 are the subject of the Company's current 2012-2014 ESP case and are
12 intended to cover AEP Ohio's cost of generation, including the cost of capacity.
13 However, CRES providers who serve shopping customers, and who choose not to self-
14 supply capacity, are currently required to pay only the PJM RPM-based auction price.
15 Thus, while these CRES providers are using AEP Ohio's capacity resources, they avoid
16 paying the embedded generation capacity costs that are on the books of AEP Ohio.
17 Accordingly, AEP Ohio is forced to absorb the cost of an unreasonable and ultimately
18 unsustainable subsidy to CRES providers in Ohio. The bottom line is CRES providers
19 should provide fair compensation to AEP Ohio for its capacity just as non-shopping
20 customers do.

21 While the Commission opined in the December 8th Order that AEP Ohio has
22 other mechanisms for the recovery of capacity costs from retail customers, this is not
23 true. Shopping customers do not pay AEP Ohio for capacity costs, they pay the capacity

1 charged by CRES providers. Non-shopping customers only pay SSO generation rates.
2 AEP Ohio is not receiving compensation for CRES-related capacity costs through any of
3 its retail rate mechanisms. The Commission's interim compensation mechanism, based
4 on the RPM-based pricing, does not provide adequate compensation for its costs of
5 providing capacity to CRES providers.

6 **Q. WHAT IS THE APPROPRIATE LEVEL OF COMPENSATION THAT AEP**
7 **OHIO SHOULD RECEIVE FROM CRES PROVIDERS FOR USE OF AEP**
8 **OHIO'S CAPACITY?**

9 A. AEP Ohio should be allowed just and reasonable compensation from CRES providers
10 based on AEP Ohio's embedded cost of capacity that will allow for continued investment
11 in Ohio generation resources. Such charges will not create a subsidy, as is currently
12 occurring. Such charges will facilitate long-term resource adequacy and reliability.

13 **Q. WHY DID AEP OHIO DECIDE TO REQUEST A CHANGE IN FRR**
14 **COMPENSATION METHODS?**

15 A. As other AEP Ohio witnesses support, adjusted RPM-based capacity rates tend to
16 fluctuate over time while embedded cost-based rates are relatively stable. At this
17 particular time in the market cycle, adjusted RPM-based capacity rates are below AEP
18 Ohio's embedded costs. As reflected in Exhibit KDP-7 in the testimony of Company
19 witness Pearce, the adjusted RPM-based rates not only fluctuate year to year, but are well
20 below the cost of a new combined cycle unit (Gross CONE). Therefore, AEP Ohio
21 determined that it was time to utilize the cost-based method with the full understanding
22 that it would require FERC approval of the proposed rates. Based on 2010 FERC Form 1
23 data, as calculated by Company witness Pearce, capacity rates are \$327.59/MW-day for

1 CSP and \$379.23/MW-day for OPCo or \$355.72/MW-day on a combined basis for AEP
2 Ohio.

3 **Q. WHAT ARE THE IMPACTS TO AEP OHIO IF THE RATES BASED ON**
4 **EXISTING RPM AUCTION PRICES REMAIN THE ONLY APPROVED COST**
5 **COMPENSATION MECHANISM?**

6 A. At 100% shopping, the impacts to AEP Ohio could exceed \$485M for 2011, \$771M for
7 2012, and \$971M for 2013. At 50% shopping the impacts to AEP Ohio could exceed
8 \$242M for 2011, \$386M for 2012, and \$486M for 2013. These financial impacts will
9 obviously impact the long-term generation capacity investment within the state.

10 **Q. WHAT ARE THE LONG-TERM GENERATION CAPACITY SUPPLY**
11 **CONCERNS ASSOCIATED WITH THE CURRENT RPM-BASED CAPACITY**
12 **PRICING MECHANISM?**

13 A. During the development phase of the RPM model, the Ohio Commission had concerns
14 with protecting a state's generation resource adequacy. As stated in the Commission's
15 comments in FERC Docket No. EL05-148-000:

16 "...PJM's rules do not recognize the need to recover reasonable investment costs
17 nor the timely repayment of debt—bedrock principles required for financing an
18 industry as capital intensive as the electricity industry." (p.14).

19 The Commission goes on to state:

20 "Generator owners cannot long survive on recovery of the short run marginal cost
21 of energy alone, but must consistently recover some of their long run marginal
22 costs as well." (p.14).

23 The Ohio Commission's previous state policy recognized an obligation to ensure
24 adequate supply of generation resources for the customers of Ohio and, as a result, they
25 approved AEP Ohio's standard service offer pricing in the 2009-2011 ESP case.
26 Additionally, the state compensation mechanism alternative was drafted into the PJM

1 RAA to address these generation supply concerns as discussed by Company witness
2 Horton.

3 While AEP Ohio believes the November 2010 FERC application for the cost-
4 based method will address long-term supply concerns, if the Commission seeks to
5 establish a properly designed non-interim state compensation mechanism, then the rate
6 must ensure reasonable compensation for costs incurred by suppliers that build or have
7 built generation. A just and reasonable state compensation mechanism should provide
8 for the compensation of embedded costs of generation, but also provide incentives for
9 investment in generation. A state compensation mechanism that is based on short-term
10 RPM auction prices would amount to an abdication of the authority to ensure long-term
11 generation adequacy and reliability within the state.

12 **Q. HOW CAN THE COMMISSION ADDRESS THESE CONCERNS AND**
13 **PROMOTE INVESTMENT IN THE STATE OF OHIO?**

14 A. By allowing AEP Ohio to be appropriately compensated for its costs associated with
15 capacity, the Commission will provide the investment community with more certainty,
16 eliminate some regulatory risk, and ensure sustained investment within the state of Ohio.
17 Without the Commission's support of an appropriate and reasonable cost compensation
18 mechanism, it would be imprudent and irresponsible for AEP Ohio to invest long-term
19 capital in an unclear, unstable cost recovery environment. If left unaddressed or as
20 reflected in the Commission's December 2010 order regarding an interim state
21 compensation mechanism, this uncertainty, coupled with increasing environmental
22 mandates puts Ohio customers at risk for long-term in-state generation capacity
23 deficiencies.

1 **Q. MANY OHIO CRES PROVIDERS HAVE EXPRESSED CONCERN WITH**
2 **ALLOWING THE COMPANY TO RECOVER ITS CAPACITY COSTS AND**
3 **HOW THAT MIGHT IMPACT COMPETITION WITHIN THE STATE OF**
4 **OHIO. HOW DO YOU RESPOND?**

5 A. Implementing a just and reasonable mechanism to allow AEP Ohio to recover its capacity
6 costs from CRES providers actually provides for a more equal and fair competitive
7 market in Ohio for generation services. If CRES providers choose not to self-supply, the
8 Companies must provide the capacity resources to the CRES provider. Commission
9 support of recovery of capacity costs through appropriate wholesale charges to CRES
10 providers will mitigate the anticompetitive subsidy that currently flows to CRES
11 providers which use AEP Ohio's capacity. I am advised by counsel that the subsidy
12 undermines the explicit state policy referenced in Ohio Revised Code §4928.02 (H) and
13 allows for CRES providers to pay a much lower rate than AEP Ohio non-shopping
14 customers who use the same capacity resources.

15

16 **CONCLUSION**

17 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

18 A. AEP Ohio maintains that the Commission, as well as the FERC, must honor the long
19 recognized distinction between its authority to regulate retail electric rates and the
20 FERC's authority over wholesale electric rates, whether the rates relate to sale of energy
21 or the sale of capacity. AEP Ohio has consistently maintained the legal position (through
22 counsel) that the RAA, even with implicit FERC approval, cannot alter the bright-line
23 between retail rate regulation and wholesale rate regulation. A properly designed state

1 compensation mechanism to compensate a FRR entity for its capacity obligations must,
2 at a minimum, allow the FRR entity to recover its costs of providing capacity to support
3 shopping. Otherwise, the state compensation mechanism will not appropriately
4 compensate the FRR entity for capacity.

5 Second, AEP Ohio disagrees that the Commission's interim compensation
6 mechanism, based on the RPM auction-based pricing, provides adequate compensation
7 for its costs of providing capacity to CRES providers. Moreover, AEP Ohio is not
8 receiving compensation for those capacity costs through any of its retail rates charged to
9 shopping or non-shopping customers.

10 Third, as demonstrated by Company witness Pearce's testimony, AEP Ohio is not
11 receiving adequate compensation for performing its FRR capacity obligations, and the
12 gap between its costs and the compensation for those costs is increasing at an alarming
13 rate. The failure to recover just and adequate compensation for its FRR capacity
14 obligations is threatening AEP Ohio's financial stability and is a significant disincentive
15 for generation investment within the state of Ohio.

16 Furthermore, in this proceeding there is the additional issue of what is in the best
17 interests of Ohio and the retail customers of Ohio. The Commission should not be
18 looking to use the short-term market auction prices at the expense of longer-term
19 stability, reliability and investment in generation. That is a "penny-wise, pound-foolish"
20 approach that could be disastrous in the long run. The Commission also should not allow
21 a subsidy to CRES providers by permitting artificially low capacity rates to prevail. Non-
22 shopping customers pay capacity charges that recover embedded costs. CRES providers,

1 who choose not to self-supply, should also pay capacity charges that recover embedded
2 costs.

3 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

4 A. Yes.

5